

Message Text

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PAGE 01 STATE 170038
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY DOD/ISA:DLOHMANN:EA/J:EMFEATHERSTONE:KAM
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EB/EWT:AREICHENBACH
PM/ISO:WVERRY
PM/ISP:JLEONARD
PM/MC:HDARBY
INR/REA:HHOROWITZ
INR/PMT:DHOWELLS
USDOC/OEA/PP:EWALINSKY
S/S-O:JETHYDEN

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P 210021Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO PRIORITY

S E C R E T STATE 170038

EXDIS

E.O. 11652: XGDS

TAGS: MARR, ESTC, JA, US, UR

SUBJECT: FORESTALLING ACQUISITION OF SOVIET DEEP SEA
SEARCH CAPABILITY

JOINT STATE-DEFENSE MESSAGE

1. SUMMARY. WE ARE CONCERNED ABOUT POSSIBLE SOVIET ACQUISITION OF DEEP SEA SEARCH CAPABILITY THROUGH EXPORT TO NEC OF US-MADE DSS-125 SURVEY SYSTEM. REQUEST EMBASSY DISCUSS WITH GOJ MEANS OF FORESTALLING THIS EXPORT. USG WILLING TO REIMBURSE NEC FOR EQUIPMENT AND OTHER CHARGES. ITEM IS NOT
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NOW ON MUNITIONS LIST, BUT WE ARE TAKING STEPS TO TIGHTEN EXPORT CONTROL PROCEDURES FOR THIS TYPE OF EQUIPMENT. END SUMMARY.

2. NIPPON ELECTRIC COMPANY (NEC) HAS PURCHASED A MODEL DSS-125 DEEP SEA SURVEY SYSTEM FROM HYDRO PRODUCTS OF SAN DIEGO. THE SYSTEM WAS PURCHASED TO BE RESOLD TO THE

SOVIET UNION AND INSTALLED UPON A SOVIET CABLE LAYING SHIP. SHOULD THE SOVIETS ACQUIRE THIS SYSTEM THEY COULD DIRECTLY THREATEN A NUMBER OF CRITICAL U.S. MILITARY CAPABILITIES.

3. COMPONENTS OF THE DSS-125 WERE PROCESSED THROUGH EXPORT CONTROL PROCEDURES BY THE DEPARTMENT OF COMMERCE AND AN EXPORT LICENSE GRANTED FOR THE ONLY CONTROLLED ITEM, THE VIDEO TAPE RECORDER. INASMUCH AS NO MENTION OF SUBSEQUENT TRANSFER TO THE SOVIET UNION WAS MADE IN THE LICENSE APPLICATION, THE VTR COULD BE TRANSFERRED BY THE JAPANESE TO THE SOVIETS ONLY WITH PRIOR USG RE-EXPORT APPROVAL ACCORDING TO COCOM RULES. THE VTR, HOWEVER, COULD EASILY BE REPLACED WITH A NON-US PIECE OF EQUIPMENT. NO OTHER COMPONENTS REQUIRED LICENSE FOR EXPORT NOR DO ANY OF THE COMPONENTS APPEAR ON THE MUNITIONS CONTROL LIST. WE DISCOVERED FACTS OF THIS CASE RECENTLY AND EXPLORED WITH US FIRM VARIOUS OPTIONS TO FORESTALL TRANSFER TO THE SOVIETS; HOWEVER SINCE OWNERSHIP OF EQUIPMENT AT THAT JUNCTURE HAD ALREADY PASSED TO JAPANESE FIRM, WE CONCLUDED THAT THERE WAS NOTHING FURTHER WE COULD DO FROM THIS END. THE APPARENT FAILURE OF OUR CONTROL PROCEDURES TO EVALUATE THE TOTAL DSS-125 SYSTEM IS BEING CORRECTED. THE SYSTEM DOES IN FACT HAVE CONSIDERABLE MILITARY VALUE TO THE SOVIETS, DERIVED FROM THE SYNERGISTIC COMBINATION OF THE SET OF NONCONTROLLED ITEMS. WE ARE TAKING IMMEDIATE ACTION TO REQUEST THAT
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THE DSS-125 SYSTEM BE PLACED ON THE MUNITIONS CONTROL LIST. SUBSEQUENT DETERMINATIONS WOULD THEN DENY TRANSFER OF THE SYSTEM TO COMMUNIST BLOC COUNTRIES.

4. THERE ARE SEVERE IMPLICATIONS CONNECTED WITH SOVIET ACQUISITION OF THIS CAPABILITY. WITH THE DSS-125 THE SOVIETS COULD THREATEN SENSITIVE US AND ALLIED OCEAN BOTTOM INSTALLATIONS AND OBJECTS OF HIGH NATIONAL INTEREST. THE DSS-125, WHEN COMBINED WITH SOVIET DEEP OCEAN RECOVERY CAPABILITY, COULD DIRECTLY THREATEN UNDERSEA SURVEILLANCE SYSTEMS AND COULD ALLOW RECOVERY OF SENSITIVE HARDWARE LOST AT SEA. WE WILL THEREFORE TAKE THE NECESSARY ACTION TO INSURE FUTURE SOVIET ATTEMPTS TO PROCURE THE EQUIPMENT ARE THWARTED, BUT IT IS ALSO EXTREMELY IMPORTANT TO RETURN THE DSS-125 SYSTEM CURRENTLY POSSESSED BY NEC TO US CONTROL.

5. THE DSS-125 IS NOW OWNED BY THE REPEATER DIVISION OF THE NIPPON ELECTRIC COMPANY. ADDRESS IS 1753 SHIMONUMABE, NAKANARA-KU, KAWASAKI CITY, KANAGAWA 211, JAPAN. NEC PERSONNEL RESPONSIBLE FOR THE DSS-125 TRANSACTION ARE MR. OKADA, ENGINEERING MANAGER, DEVELOPMENT DEPARTMENT, REPEATER DIVISION AND MR. MATSUZAKI, PROJECT OFFICER. THE EQUIP-

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6. IF THE SOVIETS ACQUIRE THE OPERATIONAL CAPABILITY OF THE DSS-125, THEIR STATE OF THE ART IN DEEP OCEAN SURVEILLANCE WILL TAKE A QUANTUM JUMP AHEAD. TO ACQUIRE THE OPERATIONAL CAPABILITY, THE SOVIETS MUST, IN ADDITION TO ACQUIRING THE BASIC EQUIPMENT, BE TRAINED IN ITS USE, HAVE A SOURCE OF SPARE PARTS, AND PROCURE A WINCH OF HIGH TECHNICAL CAPABILITY. WE HAVE EXAMINED ALL OF THESE ADDITIONAL OPERATIONAL REQUIREMENTS AND HAVE DETERMINED THAT THEIR
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DENIAL WILL SIMPLY SLOW DOWN THE SOVIETS IN THEIR ACQUISITION OF THE CAPABILITY. BY GOING TO OTHER SOURCES OR METHODS, THEY CAN REPLICATE ALL OF THESE ADDITIONAL REQUIREMENTS. WE EXPECT THAT THE SOVIETS FULLY UNDERSTAND THE CRITICALITY OF OBTAINING THE BASIC SYSTEM. IN FACT THEY ARE ALSO TRYING TO ACQUIRE IT THROUGH EUROPEAN SOURCES AS WELL. THEY KNOW THEY CANNOT QUICKLY DEVELOP THE CAPABILITY THEMSELVES OR FIND ALTERNATIVE SOURCES OF PROCUREMENT.

7. THEREFORE REQUEST YOU APPROACH THE GOJ FOR ASSISTANCE IN RECOVERING THE DSS-125. THE FOLLOWING POINTS CAN BE USED.

(A) WHILE NOT ON THE DEPARTMENT OF STATE MUNITIONS CONTROL LIST WHEN SOLD, WILL BE ON THE LIST VERY SHORTLY. DOD IS TAKING IMMEDIATE ACTION TO REQUEST THAT THE DSS-125 BE PLACED UNDER STATE MC CONTROL.

(B) SOVIET ACQUISITION OF THIS CAPABILITY WILL BE VERY DETRIMENTAL TO US AND JAPANESE SECURITY INTERESTS.

(C) WE WOULD ASK THAT THE GOJ ASSIST US IN RECOVERING THE EQUIPMENT. WE SOLICIT GOJ VIEWS ON HOW BEST TO ACCOMPLISH THIS. WE ARE PREPARED TO FULLY COMPENSATE THE GOJ OR THE NEC FOR THE SYSTEM. THE NEC PAID APPROXIMATELY 350,000 DOLLARS FOR THE SYSTEM. THE NAVY IS PREPARED TO PAY THIS AMOUNT, REASONABLE COMMISSION FEES THE NEC EXPECTED TO ACCRUE FROM THE SALE TO THE SOVIETS, AND REASONABLE ADMINISTRATIVE AND LOGISTICAL EXPENSES INVOLVED.

(D) WE ARE ALSO PREPARED TO ASSIST IN TRYING TO DEVELOP THE METHODS REQUIRED TO RELIEVE THE NEC OF THEIR CONTRACTS.
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8. IN VIEW OF THE SHORT TIME INVOLVED BEFORE POSSIBLE
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PLEASE KEEP US APPRISED OF YOUR EFFORTS. VANCE

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S E C R E T STATE 170038

EXDIS MILITARY ADDEE HANDLE AS SPECAT EXCLUSIVE

FOLLOWING REPEAT STATE 170038 ACTION TOKYO JULY 21.

QUOTE S E C R E T STATE 170038

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STRATEGIC TRADE CONTROLS, DEEP SEA PROBE
Control Number: n/a
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Sent Date: 21-Jul-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Reference: n/a
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SAS ID: 1789278
Secure: OPEN
Status: NATIVE
Subject: FORESTALLING ACQUISITION OF SOVIET DEEP SDA SEARCH CAPABILITY
TAGS: MARR, ESTC, JA, US, UR
To: TOKYO
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/c8d9ea65-c288-dd11-92da-001cc4696bcc
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